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4 ARASH FERDOWSI, et al.,
5 Plaintiffs,
6 v.
7 ARIF AHMED, et al.,
8 Defendants.

9 Case No. 24-cv-07065-MMC
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**ORDER DENYING FEDERAL
DEPOSIT INSURANCE
CORPORATION'S ADMINISTRATIVE
MOTION STAYING ARBITRATION
PROCEEDINGS**

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13 Before the Court is the Federal Deposit Insurance Corporation's ("FDIC")
14 Administrative Motion, filed October 22, 2024, "for Order Staying FINRA Arbitration Due
15 to Removal to Federal Court." Plaintiffs have filed opposition thereto. Having read and
16 considered the papers filed in support of and in opposition to the Administrative Motion,
17 the Court rules as follows.

18 On July 30, 2024, plaintiffs instituted arbitration proceedings before the Financial
19 Industry Regulatory Authority ("FINRA"), wherein plaintiffs have asserted claims against
20 Arif Ahmed, J.P. Morgan Private Wealth Advisors LLC, and J.P. Morgan Securities LLC.
21 On October 9, 2024, the FDIC filed a "Notice of Removal," in which it states it has
22 removed said arbitration proceedings. Thereafter, in a letter dated October 15, 2024, a
23 Senior Case Administrator with FINRA, in apparent response to a request by a party to
24 the arbitration proceedings, stated that FINRA "does not currently have any basis to stay
25 the arbitration proceedings or to adjourn existing deadlines" and, "[a]bsent a court order
26 staying the arbitration proceeding or an agreement among the parties to stay the
27 arbitration, FINRA . . . intends to move forward with administrating the arbitration
28 pursuant to the Code of Arbitration Procedure." (See Humphreys Decl. Ex. 1.)

1 In support of the instant Administrative Motion, the FDIC contends that, by reason
2 of its having removed the arbitration proceedings, said proceedings, contrary to the
3 position of FINRA, presently are pending before this Court, and, consequently, that the
4 Court should order that those proceedings be stayed. In short, the requested relief is
5 solely based on a theory that the arbitration proceedings have been removed.

6 The authority the FDIC cites to support the propriety of its Notice of Removal,
7 however, is inapplicable; in particular, the statute on which the FDIC relies provides only
8 that "the [FDIC] may, without bond or security, remove any action, suit, or proceeding
9 from a State court to the appropriate United States district court before the end of the 90-
10 day period beginning on the date the action, suit, or proceeding is filed against the [FDIC]
11 or the [FDIC] is substituted as a party." See 12 U.S.C. § 1819(b)(2)(B) (emphasis
12 added). As the arbitration proceedings instituted by plaintiffs cannot be said to be an
13 "action, suit, or proceeding" in a "State court," see id., the Notice of Removal is, in effect,
14 a nullity.

15 Accordingly, there being no showing that the arbitration proceedings instituted by
16 plaintiffs can be or have been removed, and the FDIC not having argued it is entitled to a
17 stay for any reason other than its purported removal of the arbitration proceedings, the
18 Administrative Motion is hereby DENIED.¹

19 **IT IS SO ORDERED.**

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21 Dated: November 1, 2024


MAXINE M. CHESNEY
United States District Judge

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26 ¹ In light of this finding, the Court does not address herein plaintiffs' additional
27 arguments that the FDIC has not been substituted as a party in the arbitration proceeding
28 and that the instant motion seeks relief not properly sought by way of an administrative
motion.